The Myanmar Investment Commission

Form (

Sr. No. 11594

Dated 30th 11. 20

PERMIT

Permit No. 524 / 2012

Date 30 November, 2012

The Myanmar Investment Commission issues this Permit under Section 10 o the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. NOBUAKI HAYASHI

(b) Citizenship JAPANESE

(c) Address FLAT B, 26/F, TOWER 5, THE LEIGHTON HILL, 2B BROADWOOD ROAD, HONG KONG

(d) Name and Address of principal organization JAPAN TOBACCO INC. 2-1, TORANOMON 2-CHOME, MINATO-KU, TOKYO, JAPAN.

(e) Place of incorporation JAPAN

(f) Type of business in which investment is to be made MANUFACTURING AND MARKETING OF CIGARETTES

(g) Place(s) at which investment is permitted BLOCK (9), YANGON INDUSTRIAL ZONE, MINGALADON TOWNSHIP, YANGON REGION.

(h) Amount of foreign capital US $ 18 MILLION

(i) Period for bringing in foreign capital WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 18 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR JAPAN TOBACCO COMPANY LIMITED

Chairman

The Myanmar Investment Commission

စာအမှတ် ၁၁၅၉၄
ရက်စွဲ ၃၀.၁၁.၂၀၁၂

# မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

# ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၂၄/ ၂၀၁၂ ၂၀၁၂ ခုနှစ်၊ နိုဝင်ဘာလ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. NOBUAKI HAYASHI

(ခ) မည်သည့် နိုင်ငံသား JAPANESE

(ဂ) နေရပ်လိပ်စာ FLAT B, 26/F, TOWER 5, THE LEIGHTON HILL, 2B BROADWOOD ROAD, HONG KONG

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ JAPAN TOBACCO INC. 2-1, TORANOMON 2-CHOME, MINATO-KU, TOKYO, JAPAN.

(င) ဖွဲ့စည်းရာအရပ် JAPAN

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား စီးကရက် ထုတ်လုပ်ခြင်းနှင့် ဖြန့်ဖြူးရောင်းချခြင်း လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်၊ (၉) ရန်ကုန်စက်မှုဇုန်၊ မင်္ဂလာဒုံမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၈ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့် ရရှိပြီး (၂)နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၈ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင်ဖွဲ့စည်းမည့်စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR JAPAN TOBACCO COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

REPUBLIC OF THE UNION OF MYANMAR

**MYANMAR INVESTMENT COMMISSION**

**Building No.(32), Nay Pyi Taw**

Our ref : Ya Ka-1/Na- 693/ 2012( 11594 ) Tel: 95-067-406334,406075

Dated : 30 15 November, 2012 Fax: 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the proposal for "Manufacturing and Marketing of Cigarettes" under the name of " Myanmar Japan Tobacco Company Limited"

Reference: Myanmar Japan Tobacco Company Limited Letter dated (17-11-2012)

1. The Myanmar Investment Commission, at its meeting (35/2012) held on (21-11-2012) had approved the proposal for investment in "Manufacturing and Marketing of Cigarettes" under the name of " Myanmar Japan Tobacco Company Limited " submitted by Forever Star Co., Ltd. from the Republic of the Union of Myanmar and Japan Tobacco Inc and Japan Tobacco IMEX Co., Ltd. from Japan as Joint Venture foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (Thirty) years commencing from the date of signing of the Lease Agreement for land and extendible for another 15 (Fifteen) years two terms period by mutual agreement between U Myo Myint Aung and Daw Kyi Hlaing and Myanmar Japan Tobacco Company Limited.

4. The annual rent for the land shall be US$ 63,529.41 (United States Dollar sixty-three thousand, five hundred and twenty-nine and forty-one

required and are carried out within the State, only after 3 years tax holidays period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Myanmar Japan Tobacco Company Limited shall have to sign the lease agreement for land with U Myo Myint Aung and Daw Kyi Hlaing. Forever Star Co., Ltd. from the Republic of the Union of Myanmar , Japan Tobacco Inc. and Japan Tobacco IMEX Co., Ltd. from Japan shall have to sign the Joint Venture Agreement for Myanmar Japan Tobacco Company Limited. After signing such Agreements, (5) copies shall have to be forwarded to the Commission.

7. Myanmar Japan Tobacco Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Myanmar Japan Tobacco Company Limited shall follow the procedures ,rules and regulations according to the respective Ministries.

9. Myanmar Japan Tobacco Company Limited shall perform the proposed activity according to "The Control of Smoking and Consumption of Tobacco Product Law" and recommendation of Health Department under Ministry of Health.

10. Myanmar Japan Tobacco Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. Myanmar Japan Tobacco Company Limited shall abide by existing laws, procedures, rules and regulation in carrying out the proposed activity.

12. The commercial date of operation shall be reported to the Commission.

13. Myanmar Japan Tobacco Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Myanmar Japan Tobacco Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

15. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

16. Whenever Myanmar Japan Tobacco Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

18. Myanmar Japan Tobacco Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

19. Myanmar Japan Tobacco Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

20. Myanmar Japan Tobacco Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

21. Myanmar Japan Tobacco Company Limited shall follow the procedures prescribed by the Commission, vide letter no. Ya Ka-7/ 408/

94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter- industry use goods brought in as capital investment and raw materials required during the initial 3 years operation period.

22. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Japan Tobacco Company Limited.

23. Myanmar Japan Tobacco Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Myanmar Japan Tobacco Company Limited

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour, Employment and Social Security
10. Ministry of Electric Power

11. Ministry of Industry
12. Ministry of Agriculture and Irrigation
13. Director General, Directorate of Investment and Company Administration
14. Director General, Directorate of Industrial Supervision and Inspection
15. Managing Director,Pharmaceutical and Foodstuff Industries
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)